

# Policies & Procedures

## Budget Procedures

The Charter of the City of Chattanooga designates the City Council as being the party responsible for the preparation and passage of the annual budget. This is found in Title 6, Finance & Taxation, Chapter III, Section. 6.80 and states:

**Section. 6.80** Annual budget not to exceed estimated revenue except in cases of extraordinary emergencies. It shall be the duty of the City Council elected under this act to prepare and pass an annual budget each year. The budget for the ordinary and extraordinary expenses of said city for any one year shall not exceed the estimated amount of revenue to be collected for said year; and in no event shall there be appropriated by the Council any sum or sums in excess of the estimated revenues of said city, for the fiscal year in which said appropriation is made. Provided, however, said members of the Council may, in extraordinary emergencies such as floods, epidemics, or destructive fires, make appropriations in excess of the estimated revenue when the public health, safety, and welfare demand same.

The Management & Budget Analysis Section, a subsection of the Department of Finance, is the catalyst for the budget process for the City Council.

A brief description of the form of government the City of Chattanooga utilizes will be useful in more fully understanding the budget process. The City of Chattanooga operates under a Council/Mayor form of government, having changed from the Mayor/Commission form in 1990. The current organizational plan places legislative responsibility for municipal government in the City Council and gives administrative or executive authority to the Mayor. The Council levies taxes, enacts ordinances, adopts the annual budgets as well as performs other legislative functions. The Mayor, who is elected by the citizens of Chattanooga in an at-large vote, carries out the programs and policies approved by the City Council. In addition to advising the Council on policy and legislative matters, the Mayor also recommends the annual budgets and work programs.

The operating budget of the City is the single most important decision making document passed by the

Council each year. This budget document passed each year must effectively accomplish several criteria as well as meet certain governmental budgeting standards. The Government Finance Officers Association has established four (4) criteria that governmental budgets should meet:

*A governmental budget should:*

- (1) Be a policy document*
- (2) Be an operating guide*
- (3) Be a financial plan, and*
- (4) Be a communications device*

To insure these criteria are met, the Management & Budget Analysis Section of the City Finance Department prepares a budget calendar and budget policies to facilitate the decision-making process by providing overall direction to City departments. The budget calendar and the budget policies form the nucleus of the budget-making process for the City of Chattanooga. Following these two tools City Departments and Agencies develop their budget requests as well as their performance data to reflect the goals and objectives for the upcoming fiscal year.

The first budget procedure to be put into place is planning of the budget calendar and the budget policies by the City Finance Officer. In early February, the Budget Section, working under the direction of the Finance Officer, compiles draft copies of the proposed budget calendar as well as the proposed budget policies. When the Finance Officer is satisfied the proposals meet the needs of the Departments/Agencies, they are presented to the Mayor for review. The Mayor can at this time add to or delete from either document. When his review is finished the Mayor then presents the finished products to the City Council for review and approval. The City Council can then change either document. This provides the guidelines needed by the Departments/Agencies to begin budget preparation for the upcoming fiscal year. After the City Council has adopted the budget calendar and the budget policies, the Mayor meets with his Department Administrators and Department Budget Personnel to distribute them. While the budget calendar and budget policies are being discussed, the Management & Budget Analysis Section is preparing the budget forms and supplementary data for distribution to the various Departments and Agencies. A budget request form is prepared for each activity within each department of city government. This budget

request form, along with the supplementary data, provides the detailed expenditures of the prior fiscal year and the detailed expenditures for the current fiscal year-to-date. Each department/Agency is responsible for projecting its expenditures through the end of the fiscal year. Each increase requested in appropriations by a department or agency must be accompanied by a detailed justification. Once the departments receive these budget request forms, they are given a set time to return them to the City Finance Office, per the budget calendar. Detailed estimates are prepared of all anticipated revenues to the City from all sources. The Management & Budget Analysis Section prepares these revenue estimates working in conjunction with the various departments and outside agencies or governmental units who contribute funds to the City. The Revenue Budget Form contains data on the prior fiscal year, current year-to-date, a projection through the end of the fiscal year, and the amount estimated to be collected in the next fiscal year. These estimates are monitored throughout the budget-making process and changed as required, using updated data. When the Revenue Budget Form is completed, it is discussed in detail with the Mayor by the Finance Officer.

The departments and agencies are given a deadline to turn in their budget requests to the City Finance Office. During this time, their budgets are finalized by their budget personnel working closely with the Management & Budget Analyst assigned to their department. The goals and objectives of each activity are formalized, and the financial means to accomplish them are incorporated into their budgets. When presented to the City Finance Office, a department's budget consists of Budget Forms for each activity within the department, overlaid with a departmental summary form. The department's overall goals and objectives are stated here on the summary forms.

Once all Budget Forms for all departments and agencies are collected by the City Finance Office, the Management & Budget Analysts begin a review process. Budget documentation turned in by the departments should include a statement of proposed departmental goals and objectives, performance measures, an estimate on the status of performance at the end of the current year as well as traditional account line item expenditure requests and justification for maintaining current and expanded expenditure requests. The Budget Section reviews each budget request to insure compliance with the budget policies.

Then, budget sessions are held with department Administrators and budget personnel to discuss various

issues and gain a thorough understanding of the budget requests. After meetings with the departments, the Budget Section is ready to balance the budget request to the estimated revenues. When this is accomplished, the balanced budget is presented to the Mayor for review. At this point the Mayor can add or delete items to the budget. When the Mayor is satisfied that the budget presented represents the goals and objectives of the City and the financial means of reaching those goals and objectives, he will present the balanced budget to the City Council at a Budget and Finance Committee meeting.

The City Council begins a budget review of its own once it receives the balanced budget proposal. This is done through the Budget Committee, where numerous work sessions are held to examine all aspects of the proposal. Department Administrators are called in to explain differences in their current year budget and the proposed budget. Changes are made by the Council at their discretion. Finally, when the budget is agreed upon, a Budget Ordinance is written up by the Budget Section for passage by the City Council at a regularly scheduled meeting. In this Budget Ordinance, the City Council sets the Tax Rate for the next year to support the budget being submitted. The City Council holds public hearings on the budget proposal during the time the budget is first presented and when it is finally passed. The Budget Ordinance, like all City Ordinances, must pass three readings of the Council to become law.

The City of Chattanooga's budget process has evolved into a comprehensive system. The process is being constantly upgraded to provide the best tool possible for the departments and agencies to work with and to produce a budget document that is easy to read and follow and at the same time complex enough to allow for the many changes confronted by the City each year.

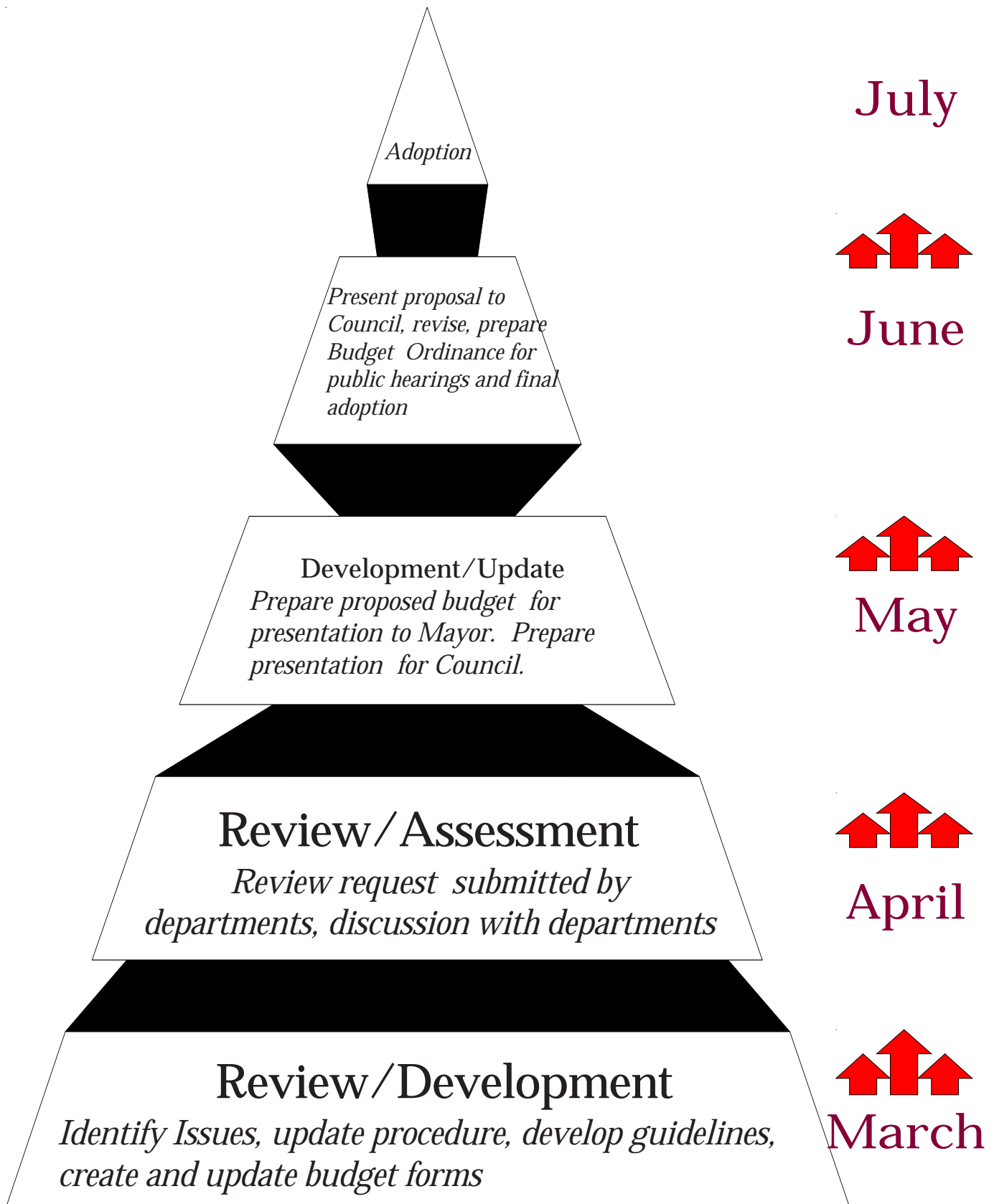
During May and June, the City Council hears budget requests from agencies and departments at its regularly scheduled meetings. Prior to July 1, the City adopts an interim budget appropriating funds for the usual and ordinary expenses of the City government in an amount not to exceed one-twelfth of the preceding fiscal year operating budget for each month that the interim budget is in effect. Subsequently, the budget is legally enacted through passage of an ordinance with an operative date of July 1. Upon adoption of the annual budget ordinance by the Council, it becomes the formal budget for City operations. After the budget ordinance is adopted, the council can increase the budget only if actual receipts exceed the estimated, or from accumulated surplus in

the amount of an unexpended appropriation from the previous year. Budget control is maintained by recording encumbrances as purchase orders are written. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Mayor. Open encumbrances are reported as reservations of fund balance at June 30. All unencumbered and unexpended appropriations lapse at year-end.

The City Finance Officer is authorized to transfer budgeted amounts within divisions within the General Fund, but the authorization does not apply to funds other than the General Fund.

Formal budgets are adopted for the General Fund, Debt Service Fund, all enterprise funds and for a majority of the Special Revenue Funds, including the State Street Aid Fund. These formal budgets are adopted on a departmental basis. Line item amounts from the budget preparation phase are booked on the appropriation ledger.

# The Budget Pyramid Approach Model



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**January**  
**18-28 Preliminary prep work for budget documents**  
**31 Target cut off for CY actuals on budget forms**

**February**  
**1-4 Budget staff prepares on-line presentation for Depts**  
**7 Budget forms available on-line to all Depts**  
**7 Salary projections distribution to Depts**

**March**  
**11 Deadline for Budget 2005 submissions along with goals and accomplishments**  
**14-30 Budget review and discussions with departments**  
**31 In-house budget sessions to balance budget 2005**  
**31 Revenue projection target date**

**April**  
**4-15 In-house budget sessions to balance budget 2005**  
**22 Proposed balance budget to Mayor**  
**25-29 Discussions w/Mayor**

**May**  
**2-13 Discussion with the Mayor**  
**11 City/County Joint Budget Hearing**  
**24 Presentation of Budget to Council with PowerPoint**

**June**  
**7&14 Council Finance Committee review/questions**

**August**  
**9 Council approval 1st reading**  
**16 Council approval 2nd & 3rd reading**  
**17-18 Budget Roll to upload new budget**  
**22 Budget Staff start work on CABR**

**September**  
**Budget staff work on CABR 2006**

**November**  
**7 Deadline date for CABR submission to GFOA**

# Budget Policies

Providing basic public services and facilities necessary to meet the current and future needs of its citizens are the City's highest priorities. Current basic public services are those services that would not be provided without public action, and future basic public services could not be provided without the proper planning necessary to provide them. Within this framework, the City prepares its Operating Budget each year.

The overall goal of the City's financial plan is to establish and maintain effective top quality management of the City's financial resources. By effectively managing these financial resources through sound budget policies and the monitoring of the results of these policies throughout the fiscal year, the City builds a framework for subsequent years. Because the City involves each Department/Division so heavily in the budget process, the policies serve as an excellent training guide, even for the budget novice. And because the City involves each Department/Division Administrator so heavily in the budget process, the finished product, i.e. the Budget Ordinance, serves as an excellent management tool for use in day to day decision making in the operation of a department. The Budget Ordinance also provides the basis of financial control to ensure compliance and prevent any overspending. Monthly reports comparing budgeted amounts to actual amounts are furnished to each department for review. These reports are also used to search for funding sources, or unexpended appropriations, needed if a departmental mission is adjusted in midyear.

The City's budget policies are written up each year by the Budget Section of the City Finance Administrator's Office. These proposed policies are reviewed by the Finance Officer and Deputy Officer to insure they contain all information known at that time to provide the desired results of the current year budget process. Working together, the Finance Officer, Deputy Finance Officer, Budget Officer and the budget staff insure that the budget policies to be presented for consideration by the Mayor and City Council do contain the means to provide the basic public services. Basic public services can be defined as those services that are

- *essential to the health and safety of the City's citizens,*
- *necessary in order to avoid irreparable damage to City resources, and*
- *a service that the absence of which would make the City's quality of life generally unacceptable to its citizens.*

After the budget policies have met the satisfaction of the Finance Officer and her staff, the Finance Officer presents them to the Mayor. They undergo further review, additions, deletions, and changes by the Mayor based upon his personal knowledge of the direction the City needs to be taking in conjunction with the Administrator's initiative. After the Mayor has reviewed the budget policies, he then presents them to the City Council for review and adoption. Here the City Council can add, delete, or change any portion of the policies they deem necessary. Once the Council is in agreement, the policies are formally adopted in a City Council budget meeting. Once adopted, the budget policies are set in place to serve as the guide for the fiscal year.

The following section outlines the budget policies adopted by the City Council for use in preparation of the City's FY 05/06 Operating Budget:

Budget Requests for FY 06 will be submitted on line item (Account) basis. All departments should present two budget requests, one with a 0% growth and one with a 5% decrease in total operating costs. The adopted FY2005 budget is the baseline. Flexibility is allowed in how this is achieved through a combination of salary and operating costs. Generally, any growth in funding must be fully justified and will be at the expense of some other line item, barring a specific revenue generated to cover the additional expense.

Budget Requests will be divided into two parts: The Maintain Requests, and the Additional Requests. Requests for additional funding must be accompanied by narrative justification.

Maintain Requests will be based upon the projected 04/05 expenditures less any one time nonrecurring expenditures.

- a. Request for one time, unavoidable costs that are anticipated for FY 05/06 will be included in the Additional Requests with justification.
- b. Requests for recurring unavoidable increases, including such items as street lighting, other utilities, pension costs, FICA, etc., will be included in the Maintain Budget Requests.

## Personnel Issues:

- a. Maintain Requests for Salaries & Wages will include all positions authorized at the current Pay Plan Amount. The department is



encouraged to maintain frozen or unfilled positions from FY05 as part of the 0% growth and 5% reduction budget requests. The Finance Office will provide projections.

- b. Maintain Requests will not include any requests for funding of additional personnel.
- c. Do not include funds for pay raises or pending reclassifications. Salary increases are provided for by Projections, which will be entered by the Management & Budget Analysts after a decision is made concerning salary and wage changes.
- d. Budget Requests for overtime must be from a zero base, consistent with overtime ordinances, and not justified by prior year experience only.
- e. If you plan to hire temporary workers, your budget estimate should include payroll taxes. Any hiring of contract employees must stand up to IRS scrutiny. Personnel has developed guidelines to assist in determining whether a person would be an employee or contract employee.
- f. Temporary staffing should be budgeted under "Salaries & Wages".
- g. There will be no additions to the total number of positions. New positions and position reclassifications must be matched with comparable reductions or consolidation of existing positions so as to result in no increase in total personnel cost.
- h. No increase in positions or position reclassifications will be considered in the 2005-2006 budget without a corresponding reduction/reclassification in existing positions resulting in the same or reduced cost to the city.
- i. Request for new and/or additional positions (including reclassifications) must be submitted to Personnel for review no later than Friday, March 25, 2005. Forms are available in Personnel, see Jean Smith (ext. 4862). (All requests for new positions and reclassifications must be supported by corresponding reductions in existing positions resulting in the same or reduced payroll cost)

## Renewal & Replacement:

Budget Requests will include capital operating requirements, to be funded from the amount appropriated for Renewal & Replacement of

Equipment. Generally, a capital operating requirement has a useful life of less than 15 years and involves a cost less than \$25,000.00. Items with a longer useful life and greater cost will be included in the Capital Budget. We anticipate that the FY 05/06 budget will include funding for Renewal & Replacement in the amount of \$1,500,000.

All departments will include in each activity funds for vehicle repairs at the City Garage. Parts will be billed by the Garage at a 25% markup. Labor cost has been set at \$55.00 per hour. Vehicle maintenance cost expenses should be based on hours experienced during FY 04/05 execution. The price factor to be used for forecasting fuel costs is \$2.65 per gallon for gasoline and \$2.55 per gallon for diesel. This reflects a \$1.25 per gallon price increase for gasoline and a \$1.20 per gallon price increase for diesel over FY05 budgeted rates for fuel. During FY06, the fuel cost will fluctuate as the market rate changes.

Fringe Benefit costs are to be included in each Activity Request which has Personnel costs. These Fringe Benefit costs are:

General Pension:	6.67%
Fire & Police Pension:	19.60%

CIGNA Healthcare premium net of employee contribution (monthly):

Individual	\$233.39
Subscriber + Child	\$389.75
Subscriber + Spouse	\$476.09
Family	\$660.46

Life Insurance Coverage: \$0.305 per \$1,000 coverage/month. Maximum Coverage: \$50,000.

Long-Term Disability:  
\$0.61 per \$100 coverage per month. One-half of premium cost is paid by the General Pension Board. Cost to the City is \$.305 per \$100.

FICA	6.20%
Medicare	1.45%

Union Pensions:	
Operating Engineers	\$1.22/hour
Laborers	\$0.95/hour

Anticipated increase in utility cost during FY06  
Electricity: 0%    Natural Gas 5%    Water: 0%

## Budget Execution Guidance

1. Descriptions, Goals & Objectives, and Performance Measures for each activity in FY05 will be available by February 7, 2005. Please update, where necessary, for FY06 as they are included in the City's Comprehensive Annual Budget Report submitted to the Mayor and City Council as well as the Government Finance Officers Association. Please return updated Descriptions and Goals & Objectives information no later than March 11, 2005. Performance Measures are due back with the budget submission on March 11, 2005.

2. Use of the city's garage services is mandatory for applicable procedures/services unless specific approval of the Mayor is obtained in advance.

3. The budget submission will not be complete or considered if Descriptions, Goals & Objectives are not submitted timely as they will become part of the decision making process for budget approval in FY06.

4. Total Budget request information for FY06 is due back to the Budget Office by Friday, March 11, 2005.

## Revenue Policies

The City of Chattanooga's revenue programs are administered by the Management & Budget Section of the Department of Finance & Administration. The Budget Section adheres to long-standing principles which insure stability and financial health. The cornerstone of these principles followed by the City is an air of conservatism. The City never has, nor never will, intentionally overestimate a revenue source merely to fund a project or additional personnel. The revenue policies of the City remain fairly constant from year to year, changing to include new revenue sources and an extension of the tax base when appropriate. These revenue policies give a good insight into the reasoning being considered by the City at budget time. The policies themselves reflect the conservative approach used by the City.

Revenue policies of the City include, but are not limited to the following:

The City will maintain effective collection systems and implement aggressive enforcement strategies to maximize revenues from all sources.

The City will attempt to maintain a diversified revenue base, which will not emphasize any one revenue source.

The City will attempt to maintain a revenue system which will encourage development of alternative revenue sources.

The City will continually monitor the local tax effort, such as Property Tax and Sales Tax, and compare it with other cities of comparable size.

The City will maintain a broad revenue base; that is, a large number of widely diversified revenue sources will be established and maintained in order to distribute the revenue burden equitably and protect the City from short-term fluctuations in any one revenue source.

The City will follow a conservative approach in the projection of revenues so that actual revenues at year end will consistently equal or exceed budgeted amounts.

The City will actively seek Federal and State grants and insure a fair proportion is received.

The City will review all user fees and licenses annually, adjust these fees and licenses when appropriate, and establish new fees and licenses when necessary.

The City will establish all user charges and fees at a level related to the full cost of providing the operating, direct, indirect, and capital services.

The City will limit the designation of General Fund revenues for specified purposes in order to maximize flexibility and utilize revenues more efficiently.

The City will continue to maintain its low Debt Ratio in providing funding through general obligation bond sales.

## Cash Management & Investment Policy

**1.0 Policy** It is the policy of the City of Chattanooga to invest public funds in a manner which will maximize



investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The City Treasurer is authorized to manage the investments described herein.

**2.0 Scope** This investment policy applies to all financial resources of the City of Chattanooga, other than funds of The City of Chattanooga General Pension Plan and The City of Chattanooga Fire and Police Pension Plan, managed by a board of trustees or contractual managers; Deferred Compensation Plan funds managed externally; and such funds excluded by law, bond indenture or other Council-approved covenant.

These funds are accounted for by the City's Finance Division, as represented in the City of Chattanooga Comprehensive Annual Financial Report and include:

### 2.1 Funds

- (1) General Funds
- (2) Special Revenue Funds
- (3) Debt Service Fund *(unless prohibited by bond indentures)*
- (4) Capital Project Funds
- (5) Enterprise Funds
- (6) Any new fund created by the City Council, unless specifically exempted.

Funds held by the Hamilton County Finance Department during tax collection period shall be governed by the County's investment policies, and are not subject to the provisions of this policy.

**3.0 Prudence** The standard of prudence to be used by investment personnel shall be the "Prudent Investor Rule" and will be in the context of managing an overall portfolio: "Investments shall be made with judgment and care-under circumstances then prevailing-which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." Investment officials meeting this standard will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**4.0 Investment Objectives.** The primary objectives, in priority order, of the City of Chattanooga's investment activities shall be as follows:

**4.1 Safety.** Safety of principal is the foremost objective of the investment program. Investments of the City of Chattanooga shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversion is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**4.2 Liquidity.** The City of Chattanooga's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

**4.3 Return on Investment.** The City of Chattanooga's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and cash flow characteristics of the portfolio.

**4.4 Local Institutions.** Local institutions shall be given preference when they are, in the judgment of the Treasurer, competitive with other institutions.

**5.0 Delegation of Authority.** Chattanooga City Charter 6.1 Empowers the Mayor, Finance Officer, and Treasurer with the investment responsibility for the City. There is created within the Department of Finance, a Treasury Division. The Treasurer is responsible for day-to-day investment decisions and activities and the development and maintenance of written procedures for the operation of the investment program, consistent with these policies.

Procedures should include reference to: safekeeping, SPA repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Officer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The Treasurer shall report to the Mayor and Finance Officer at agreed-upon intervals, on investment

activities. The Treasurer will train other investment personnel to assist and provide relief in the day-to-day placement of investments.

#### **6.0 Ethics and Conflicts of Interest.**

Any person involved in the investment process shall refrain from personal business activities which could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Investment personnel shall disclose to the Mayor any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment position that could be related to the performance of the City of Chattanooga, particularly with regard to the time of purchases and sales.

Bonding of all staff involved in the investment process shall be required, and such bonding requirements shall apply to those individuals authorized to place orders to purchase or sell investment instruments.

#### **7.0 Authorized Financial Dealers and Institutions.**

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Tennessee. These may include "primary dealers" or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by the laws of the State of Tennessee.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following:

- (1) Audited financial statements
- (2) Proof of National Association of Security Dealers certification.
- (3) Trading resolution
- (4) Proof of State of Tennessee registration
- (5) Completed broker/dealer questionnaire
- (6) Certification of having read the City of Chattanooga's investment policy and depository contracts.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the city of Chattanooga invests.

#### **8.0 Authorized and Suitable Investments.**

The City of Chattanooga shall limit its investments to those allowed by the Tennessee Code Annotated 6-56-106, which states:

"In order to provide a safe temporary medium for investment of idle funds, municipalities are authorized to invest in the following:

- (1) Bonds, Notes or Treasury Bills of the United States;
- (2) Non-convertible debt securities of the following issues:
  - (A) The Federal Home Loan Bank;
  - (B) The National Mortgage Association;
  - (C) The Federal Farm Credit Bank; and
  - (D) The Student Loan Marketing Association;
- (3) Any other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies;
- (4) Certificates of deposit and other evidences of deposit at state and federal chartered banks and savings and loan associations.
- (5) Obligations of the United States or its agencies.
- (6) The Tennessee Local Government Investment Pool
- (7) Repurchase Agreements (provided a Master repurchase agreement has been executed and approved by the state director of local finance, such investments are made in accordance with procedures established by the state funding board)"

#### **8.1 Securities Not Eligible As Investments For Public Funds In The State Of Tennessee:**

- (1) Corporate Bonds
- (2) Corporate Stocks
- (3) Foreign Government Obligations
- (4) Futures Contracts
- (5) Investments in Commodities
- (6) Real Estate
- (7) Limited Partnerships
- (8) Negotiable Certificates of Deposit

**8.2 Reverse Repurchase Agreements.** The City of Chattanooga will not engage in using Reverse Repurchase Agreements. "Leveraging" is not an acceptable strategy for the City.

**8.3 Risk.** The City's investing maxim is that public funds should never be put at market risk.

**9.0 Investment Pool.** A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following questions:

- (1) A description of eligible investment securities, and a written statement of investment policy.
- (2) A description of interest calculations and how it is distributed and how gains and losses are treated.
- (3) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- (4) A description of who may invest in the program, how often, what size deposit and withdrawal.
- (5) A schedule for receiving statements and portfolio listings.
- (6) Are reserves, retained earnings, etc. utilized by the pool/fund?
- (7) A fee schedule, and when and how it is assessed.
- (8) Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

**10.0 Collateralization.** All certificates of deposit and repurchase agreements will be collateralized. The collateral pledge level to be used by each Collateral Pool participant to arrive at their pledge target may be determined on a percentage basis using the following factors:

- (1) If the Total Collateral Pool participants hold an aggregate of less than thirty percent (30%) of the total sum of deposits held in the State of Tennessee by financial institutions, the collateral pledging level shall equal two hundred percent (200%).
- (2) If the Total Collateral Pool participants hold an aggregate of thirty percent (30%) or more of the total sum of deposits held in the State of Tennessee by financial institutions, the collateral pledging level shall equal one hundred fifteen percent (115%).
- (3) However, the collateral pledging level will be one hundred percent (100%) for any participant whose bank rating is equal to or greater than twenty-five (25) as determined from the most recent quarterly report published by Sheshunoff Information Services, Inc. (bank president's national peer group weighted rating). The collateral pledge level will be ninety percent (90%) if the participant meets the requirement in Rule 1700-4-1-.04(1)(b).

Each pool participant is required to maintain, at a minimum, pledged collateral with a minimum market value of one hundred thousand dollars (\$100,000).

**Custodial Agreement:** Collateral will always be held by an independent third party with whom the city has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. All financial institutions doing business with the City are required to sign a Bond and Deposit Agreement with the City and it will be updated annually. The right of collateral substitution is granted.

**11.0 Safekeeping and Custody.** All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a Delivery-Versus-Payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

**12.0 Diversification.** The City will diversify its investments by security type and institution. With the exception of U. S. Treasury securities and the Tennessee State Local Government Investment Pool, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

**13.0 Maximum Securities.** To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Under current City policy, unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two (2) years from date of purchase. However, the City may collateralize its repurchase agreements using longer dated investments not to exceed five (5) years to maturity.

Reserve funds may be invested in securities exceeding two (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

#### **14.0 Internal Control**

The Treasurer shall establish an annual process of independent review by an external auditor. The review will provide internal controls by assuring compliance with policies and procedures.

**15.0 Performance Standards.** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

**15.1 Market Yield (Benchmark):** The City's investment strategy is passive. Basically, the passive approach to investing involves buying-and holding purchases until maturity. Given this strategy, the basis used by the Treasurer to determine how the portfolio's market average rate of return compares to market yields shall be the six-month U. S. Treasury Bill and the average Federal Funds Rate.

**16.0 Reporting.** The Treasurer is responsible for preparing a quarterly investment report to the Mayor and Finance Officer which will provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

Schedules in the quarterly report should include the following:

- (1) A listing of individual securities held at the end of the reporting period by authorized investment category, and financial institutions
- (2) Average life and final; maturity of all investments listed
- (3) Coupon, discount or earnings rate
- (4) Par value, Amortized Book Value and Market Value
- (5) Percentage of the Portfolio represented by each investment category

**17.0 Investment Policy Adoption:** The City of Chattanooga's Investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed on an annual basis by the Finance Officer and Treasurer and any modifications made thereto must be approved by the City Council.

## Debt Policies

The City will maintain a bond retirement fund reserve which is equivalent to the amount of debt service due on tax-supported General Obligation Bonds in the next fiscal year.

The City will not issue notes to finance operating deficits.

The City will issue bonds for capital improvements and moral obligations.

The City will publish and distribute an official statement for each bond and note issue.

## Reserve Policies

The City will maintain a revenue reserve in the General Operating Fund which represents between 18-20% of the fund's expenditures.

## Accounting, Auditing, and Financial Reporting Policies

An independent audit will be performed annually.

The City will produce annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board.

The City will maintain a strong internal audit capability.

## Capital Budget Policies

The City shall invest a percentage of its general operating funds to finance ongoing infrastructure maintenance, repair and replacement programs, and to implement approved plans that foster economic and neighborhood development each year.

The City will develop a multi-year plan for ongoing capital improvements, update it annually, and make all capital improvements in accordance with the plan. Funding of repair and replacement schedule projects will have funding priority before discretionary capital projects.

Capital improvement projects which violate the principles and concepts of an adopted City plan or which duplicate other public and/ or private services will not be considered.

The City Council will use the following criteria to evaluate the relative merit of each capital project:



Projects which will increase property values in a neighborhood, residential or business district; Projects identified by a priority board or a department as important; Projects which will directly benefit a community development area of the City; Projects which are part of a multi-year funding commitment; Projects which are an element of an approved master plan adopted by City Council; Projects which result in the creation of permanent jobs and/or generate additional net revenue to the city; Projects specifically included in an approved replacement schedule.

## Legal Requirements

In 1982 the Tennessee General Assembly passed what has become known as the “Municipal Budget Law of 1982.” This law was incorporated into the Tennessee Code Annotated under Section 6-56. The following excerpts are from Tennessee Code Annotated 1992 Replacement and provide the state requirements for municipal budgets.

**6-56-203. Annual Budget Ordinance.** The governing body of each municipality shall adopt and operate under an annual budget ordinance. The budget ordinance shall present a financial plan for the ensuing fiscal year, including at least the following information:

*(1) Estimates of proposed expenditures for each department, board, office or other agency of the municipality, showing in addition, the expenditures for corresponding items for the last preceding fiscal year, projected expenditures for the current fiscal year and reasons for recommended departures from the current appropriation pattern in such detail as may be prescribed by the governing body. It is the intent of this subdivision that except for moneys expended pursuant to a project ordinance or accounted for in a proprietary type fund or a fiduciary type fund which are excluded from the budget ordinance, all moneys received and expended by a municipality shall be included in a budget ordinance. Therefore, notwithstanding any other provision of law, no municipality may expend any moneys regardless of their source (including moneys derived from bond and long-term note proceeds, federal, state or private grants or loans, or special assessments), except in accordance with a budget ordinance adopted under this section or through a proprietary type fund or a fiduciary type fund properly excluded from the budget ordinance;*

*(2) statements of the bonded and other indebtedness of the municipality, including the debt redemption and interest requirements, the debt authorized and unissued, and the condition of the sinking fund;*

*(3) estimates of anticipated revenues of the municipality from all sources including current and delinquent taxes, nontax revenues and proceeds from the sale of any bonds or long-term notes with a comparative statement of the amounts received by the municipality from each of such source for the last preceding fiscal year, the current fiscal year, and the coming fiscal year in such detail as may be prescribed by the governing body;*

*(4) a statement of the estimated fund balance or deficit, as of the end of the current fiscal year;*

*(5) a statement of pending capital projects and proposed new capital projects, relating to respective amounts proposed to be raised therefore by appropriations in the budget and the respective amounts, if any, proposed to be raised therefore by the issuance of bonds during the fiscal year; and*

*(6) such other supporting schedules as the governing body deems necessary, or otherwise required by law.*

The City Code of the City of Chattanooga also provides requirements for a budget. Following is an excerpt from Chapter III, Chattanooga City Code:

*Sect. 6.80. Annual Budget not to exceed estimated revenue except in cases of extraordinary emergencies. It shall be the duty of the City Council elected under this act to prepare and pass an annual budget each year. The budget for the ordinary and extraordinary expenses of said city for any one year shall not exceed the estimated amount of revenue to be collected for said year; and in no event shall there be appropriated by the City Council any sum or sums in excess of the estimated revenues of said City, for the fiscal year in which said appropriation is made. Provided, however, said City Council may, in extraordinary emergencies such as floods, epidemics, or destructive fires, make appropriations in excess of the estimated revenue when the public health, safety, and welfare demand same.*





# Budget Ordinance

ORDINANCE NO. 11728

AN ORDINANCE, HEREINAFTER ALSO KNOWN AS “THE FISCAL YEAR 2005-2006 BUDGET ORDINANCE”, TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2005, AND ENDING JUNE 30, 2006, AND APPROPRIATING SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION ON ALL TAXABLE PROPERTY IN THE CITY, AND THE TIME TAXES AND PRIVILEGES ARE DUE, HOW THEY SHALL BE PAID, WHEN THEY SHALL BECOME DELINQUENT; PROVIDING FOR INTEREST AND PENALTY ON DELINQUENT TAXES AND PRIVILEGES, AND TO AMEND PART II, CHATTANOOGA CITY CODE, SECTIONS 7-1, 7-8, 18-103, 18-105, 18-123, 18-124, 31-36, 31-41, and 31-43.

WHEREAS, Pursuant to and in compliance with the provisions of the Charter of the City of Chattanooga, Tennessee, the revenue has been estimated for operating the Municipal Government for the fiscal year 2005-2006 from all sources to be as follows:

## PROPERTY TAXES:

	<u>FY04</u> <u>Actual</u>	<u>FY05</u> <u>Projected</u>	<u>FY06</u> <u>Proposed</u>
Current Taxes on Real & Personal Property	\$77,199,656	\$79,709,673	\$80,650,402
Taxes on Real & Personal Property - Prior Years	3,830,420	3,597,953	3,200,000
CHA - In Lieu of Taxes	29,994	29,994	29,994
TVA - In Lieu of Taxes	1,070,298	1,144,642	1,161,811
Electric Power Board - In Lieu of Taxes	2,928,731	2,827,923	2,901,037
Electric Power Board Telecomm – In Lieu of Taxes	199,508	210,781	240,138
Chattanooga Labeling System – In Lieu of Taxes	9,151	8,928	8,928
E I Dupont – In Lieu of Taxes	252,664	248,760	248,760
Metals USA - In Lieu of Taxes	40,839	40,839	40,839
Burner Systems - In Lieu of Taxes	24,540	25,859	24,396
Messer Griesheim Ind – In Lieu of Taxes	64,272	66,414	66,414
T B Wood's Inc – In Lieu of Taxes	15,529	7,274	7,274
Regis Corporation - In Lieu of Taxes	48,010	49,919	44,382
Pavestone Company – In Lieu of Taxes	21,561	0	0
JRB Company In Lieu of Taxes	45,689	42,383	41,552
Chattem, Inc In Lieu of Taxes	21,664	32,006	32,006
Covenant Transport – In Lieu of Taxes	23,526	23,505	23,505
Signal Mountain Cement – In Lieu of Taxes	517,697	428,892	428,892
Kenco Group, Inc - In Lieu of Taxes	82,373	86,137	86,137

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Total Other – In Lieu of Taxes	32,706	31,619	35,277
Corporate Excise Taxes – State (Intangible Property)	103,564	182,611	141,443
Interest & Penalty on Current Year Taxes	111,770	131,963	67,000
Interest & Penalty on Delinquent Taxes	359,074	482,438	450,000
Delinquent Taxes Collection Fees	163,202	161,553	188,000
Interest - Bankruptcy Claim Delinq Tax	<u>0</u>	<u>22,341</u>	<u>0</u>
TOTAL PROPERTY TAXES	\$87,196,438	\$89,594,407	\$90,118,187
<u>OTHER LOCAL TAXES:</u>			
Franchise Taxes – ComCast Cable	\$1,399,783	\$1,411,908	\$1,426,000
Franchise Taxes – Chattanooga Gas	254,805	253,850	254,000
Liquor Taxes	1,528,939	1,605,459	1,662,014
Beer Taxes	4,553,269	4,581,700	4,633,840
Local Litigation Taxes - City Court	<u>5,799</u>	<u>5,176</u>	<u>5,400</u>
TOTAL OTHER LOCAL TAXES	\$7,742,595	\$7,858,093	\$7,981,254
<u>LICENSE, PERMITS, ETC.:</u>			
Motor Vehicle Licenses	\$411,090	\$394,810	\$425,000
Parking Meters	446,796	449,486	450,000
Business Licenses (excluding Liquor)	130,285	144,000	120,000
Gross Receipts Tax	2,891,898	2,900,000	2,940,000
Fees for Issuing Business Licenses & Permits	56,821	57,000	57,000
Interest & Penalty on Business Licenses & Permits	71,882	60,000	72,000
Wrecker Permits	13,125	6,900	5,000
Building Permits	1,195,554	1,143,668	975,000
Electrical Permits	195,525	191,787	185,000
Plumbing Permits	254,151	220,388	175,000
Street Cut-In Permits	292,592	251,089	250,000
Temporary Use Permits	1,000	2,980	1,500
Sign Permits	124,499	152,636	120,000
Taxi Permits	3,055	3,700	3,700
Liquor By the Drink Licenses	115,460	114,885	120,000
Hotel Permits	2,325	2,000	2,000
Gas Permits	10,017	8,000	8,000
Liquor By the Drink – Interest & Penalty	3,472	3,420	2,500
Plumbing Examiner Fees & Licenses	36,285	35,698	25,000
Electrical Examiner Fees & Licenses	39,895	32,555	25,000
Gas Examination Fees & Licenses	48,345	45,415	35,000
Mechanical Code Permits	68,898	68,666	65,000
Permit Issuance Fees	60,990	57,320	53,790
Beer Application Fees	97,292	97,142	85,000
Annual Electrical Contractor License	63,834	61,074	64,000
Exhibitor's fees	10,312	6,806	3,500
Mechanical Exam Fee & Licenses	60,995	62,000	62,000
Gross Receipts - Interest & Penalty	2,585	8,275	0
Miscellaneous	19,357	16,872	0
Subdivision Review/Inspection Fee	<u>30,980</u>	<u>29,085</u>	<u>20,000</u>
TOTAL LICENSES, PERMITS, ETC.	\$6,759,315	\$6,627,657	\$6,349,990
<u>FINES, FORFEITURES, AND PENALTIES:</u>			
City Court Fines	\$35,437	\$33,878	\$36,500
Criminal Court Fines	205,238	220,799	192,000
Parking Ticket Fines	426,487	444,596	425,000
City Fines-Speeding	163,035	325,979	200,000
City Fines-Other Driving Offenses	175,278	221,318	215,000
City Fines-Non Driving Offenses	18,434	22,246	22,000
Air Pollution Penalties	5,369	6,405	0
Bond Forfeitures	653	1,544	0

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Miscellaneous	4,550	14,750	0
Delinquent Parking Tickets	45,029	68,945	50,000
Delinquent Tickets – Court Cost	<u>32,649</u>	<u>50,162</u>	<u>32,000</u>
TOTAL FINES, FORFEITURES AND PENALTIES	\$1,112,159	\$1,410,622	\$1,172,500
<u>REVENUES FROM USE OF MONEY OR PROPERTY:</u>			
Interest on Investments	\$620,977	\$1,000,055	\$800,000
Sale of Back Tax Lots	<u>72,888</u>	<u>31,670</u>	<u>25,000</u>
TOTAL FROM USE OF MONEY OR PROPERTY	\$693,865	\$1,031,725	\$825,000
<u>REVENUES FROM OTHER AGENCIES:</u>			
Local Option Sales Tax-General Fund	\$22,495,211	\$23,585,866	\$24,529,206
State Beer Taxes	77,194	76,270	81,108
Hall Income Tax	1,960,081	2,149,036	1,990,672
State Sales Tax	9,144,562	9,398,986	9,989,522
State Mixed Drink Tax	1,210,027	1,347,872	1,409,234
State Gas Inspection Fees	352,187	350,173	368,798
State Maintenance of Streets	78,912	133,625	100,000
State Alcoholic Beverage Tax	73,261	72,530	78,579
Hamilton County - Radio & Electronics	130,000	147,541	156,972
Hamilton County Ross' Landing/Plaza	397,496	476,078	730,663
State – Specialized Training Funds	369,020	347,032	381,750
State – Telecommunication Sales	26,248	25,974	27,271
State — Department of Transportation	0	34,493	0
DOJ — Bulletproof Vest Program	<u>0</u>	<u>24,371</u>	<u>0</u>
TOTAL FROM OTHER AGENCIES	\$36,314,199	\$38,169,847	\$39,843,775
<u>SERVICE CHARGES FOR CURRENT SERVICES:</u>			
Current City Court Costs	\$116,932	\$219,587	\$200,000
Court Commissions	9,190	9,423	9,000
Clerk's Fees	625,273	899,002	870,000
Current State Court Costs	3,857	3,473	2,600
Court Administrative Cost	26,552	23,399	30,000
Service of Process	1,620	3,106	1,700
Processing of Release Forms	13,377	12,304	12,500
Charges for Financial Services - Electric Power Board	7,200	7,200	7,200
Variance Request Fees	7,941	11,989	9,000
Fire & Ambulance Service Fees	734	541	750
Warner/Montague Park Ballfield Fees	8,950	4,350	7,500
Fitness Center	32,370	30,992	30,000
Arts & Culture	8,822	7,334	6,000
Skateboard Park	11,023	33,000	8,500
Kidz Kamp	85,229	84,164	55,000
Therapeutic Kamp Fee	15,062	7,109	5,000
Champion's Club	23,516	23,488	20,000
Construction Board of Appeals	2,484	3,550	2,500
Zoning Letter	3,850	4,900	3,500
Sign Board of Appeals	3,600	4,135	3,500
Certificates of Occupancy	1,595	325	1,000
Sewer Verification Letter	1,450	1,450	1,000
Modular Home Site Investigation	575	175	0
Plan Checking Fee	170,994	184,755	170,000
Phased Construction Plans Review	3,502	3,022	3,500
Cell Tower Site/Location Review	3,000	4,500	4,000
Memorial Auditorium Credit Card Fees	28,206	35,300	24,000
Tivoli Credit Card Fees	5,270	8,250	8,250
Preservation Fees	27,809	61,060	100,000
Sports Program Fees	9,422	10,000	10,000

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Non-Traditional Program Fees	1,074	8,533	5,000
OutVenture Fees	19,472	15,951	10,000
Police Reports: Fees, Accidents, etc.	156,073	132,423	140,000
Photo/ID Card Fees	11,214	11,892	15,200
Dead Animal Pick Up Fee	7,644	7,696	7,500
Misc Revenue – Reimb from General Pension Fund	25,000	25,025	25,000
Credit Card Convenience Fee	6,172	10,279	23,000
Code Compliance Letter Fee	0	110	0
TOTAL SERVICE CHARGES	\$1,486,054	\$1,913,792	\$1,831,700
<b><u>MISCELLANEOUS REVENUE:</u></b>			
Land & Building Rents	\$94,752	\$71,681	\$65,000
Dock Rental	19,443	13,685	20,000
Payroll Deduction Charges	4,973	5,548	5,000
Indirect Cost	2,579,214	2,685,866	2,685,866
Plans and Specification Deposits	5,010	4,660	3,000
Condemnation	48,208	60,966	41,000
Memorial Auditorium Rents	194,663	180,000	180,000
Memorial Auditorium Concessions	41,769	50,000	50,000
Tivoli Rents	118,191	134,652	130,000
Tivoli Concessions	14,303	16,274	20,000
Swimming Pools	30,921	36,040	25,000
Park Concessions	12,174	10,000	10,000
Frost Stadium Income	0	600	600
Recreation Center Rental	31,430	47,053	32,000
Carousel Ridership	94,673	93,414	85,000
Walker Pavilion Rents	28,570	17,468	20,000
Engel stadium	1,400	1,175	1,000
Coolidge Park Table Rents	4,759	18,735	9,300
Recreation Center Concessions	12,017	13,980	13,000
City Softball Program Fees	17,755	10,000	20,000
Other Miscellaneous Revenue	942,267	191,187	160,000
Auditorium Box Office	96,829	98,974	65,000
Tivoli Box Office	24,384	28,000	30,000
Sale of Equipment	199,634	55,889	65,000
Loss & Damage	179,846	183,618	180,000
Sale of Scrap	38,198	54,232	35,000
Miscellaneous Revenue	25,556	20,604	25,000
Greenway Facilities Rent	14,013	8,850	10,000
Outside Sales – Radio Shop	38,638	73,562	94,066
Memorial Auditorium OT Reimbursement	12,758	14,525	8,000
Tivoli Theatre OT Reimbursement	4,805	7,770	4,000
TOTAL MISCELLANEOUS REVENUE	\$4,931,153	\$4,209,008	\$4,091,832
Transfers - In	\$204,617	\$0	\$0
TOTAL GENERAL FUND REVENUE	<u>\$146,440,395</u>	<u>\$150,815,151</u>	<u>\$152,214,238</u>
TOTAL GENERAL FUND ESTIMATED REVENUE	<u>\$146,440,395</u>	<u>\$150,815,151</u>	<u>\$152,214,238</u>

and,

WHEREAS, it is necessary to base the appropriations to the various departments of the Municipal

Government on the above estimated revenues;



NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. That for the purpose of raising revenue to operate the various departments, agencies, boards, commissions, offices, divisions or branches of the Municipal Government, and to pay the interest on and retire bonds of said City as they mature, there be and is hereby levied upon all taxable property within the City of Chattanooga, Tennessee, a tax for the year 2005 at a rate of \$2.202 upon every \$100.00 in assessed value of such taxable property based on valuation determined by the quadrennial property reappraisal; and to the extent applicable there is also levied a tax at the same rate upon every \$100.00 of Merchant and other Ad Valorem within the corporate limits of the City of Chattanooga, Tennessee.

SECTION 2. That the assessment made by the Assessor of Property of Hamilton County, Tennessee, and by the Tennessee Regulatory Agency for 2005 on all property located within the Corporate limits of the City of Chattanooga, Tennessee, be and is hereby adopted as the assessments of the City of Chattanooga.

SECTION 3. That the taxes herein levied on all taxable property within the corporate limits of the City of Chattanooga shall be due and payable at the office of the City Treasurer and Tax Collector OCTOBER 1, 2005, and shall become delinquent MARCH 1, 2006, after which date unpaid taxes shall bear interest at twelve percent (12%) per annum, and a penalty of six percent (6%) per annum, plus other penalties as provided by law, which shall be paid by the taxpayer; provided, that except for taxpayers receiving tax relief under T.C.A. Sections 67-5-702 through 67-5-705.

SECTION 4. That the Provisions of Chapter 387, Public Acts of 1971, as amended by Chapter 850, Public Acts of 1972, and as further amended by the Public Acts of 1973, and as further amended, relative to the authorization of local taxes upon the privilege of engaging in certain types of business activities be and are hereby adopted by reference, and there is hereby levied a Business Tax on all businesses taxable by municipalities under Chapter 387, Public Acts of 1971, as amended, at the maximum rates specified therein. The City Treasurer is authorized and directed to collect such taxes as are authorized by said Act to be collected by the City of Chattanooga, a municipality, together with such interest and penalties as may become due thereon, at the maximum rate provided by law. In addition to said taxes, the City Treasurer is hereby authorized and directed to collect a fee of Five and 00/100 Dollars (\$5.00) upon the issuance of any privilege license under said Business Tax Act and also upon receipt of each payment of the Gross Receipts tax authorized by said Act, except that this fee may not be charged persons paying the annual minimum tax under the provisions

of Chapter 58, Title 67, of the Tennessee Code Annotated, if paid on the same date as the respective and related return is filed.

**SECTION 5.** That the budgets of the various departments, agencies, boards, commissions, offices, divisions, or branches of Municipal Government for the fiscal year beginning July 1, 2005, are fixed as hereafter set out; and the amount so fixed for each is hereby appropriated out of the estimated revenue for said year for the use of that department, agency, board, commission, office, division, branch of government, to-wit:

#### GENERAL FUND APPROPRIATIONS

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Department of Finance & Administration	\$ 7,947,938	\$ 8,065,154	\$ 8,804,945
Department of Police	36,361,548	36,417,878	38,883,221
Department of Fire	24,044,462	24,453,260	25,722,775
Department of Public Works	26,494,100	27,288,624	27,662,751
Department of Parks & Recreation	10,498,256	10,687,937	10,055,886
Department of Personnel	5,152,684	5,476,778	6,684,279
Department of Neighborhood Services	1,510,194	2,626,518	1,827,966
General Government & Supported Agencies	28,974,703	32,489,929	29,619,077
Department of the Executive	1,234,495	1,288,841	1,432,397
Department of Education, Arts, & Culture	<u>0</u>	<u>0</u>	<u>1,520,941</u>
<b>TOTAL</b>	<u><u>\$142,218,380</u></u>	<u><u>\$148,794,919</u></u>	<u><u>\$152,214,238</u></u>

#### DEPARTMENT OF FINANCE & ADMINISTRATION

Finance Office	\$ 1,686,291	\$ 1,685,565	\$ 1,982,210
Information Services	2,483,693	2,671,375	2,636,621
City Treasurer	504,495	509,740	584,131
Telephone System	229,431	178,834	183,600
City Court Clerk – Operations	916,146	810,877	907,611
City Court Clerk's Office – Space Cost	109,500	125,000	125,000
Telecommunications Operations	128,256	131,971	145,744
Building Maintenance	575,930	587,234	693,561
Chattanooga Mobile Communication Services	362,971	384,438	426,676
Purchasing	782,117	835,806	838,193
Real Estate – Administration	117,634	109,759	173,098
Real Estate – Property Maintenance	<u>51,474</u>	<u>34,555</u>	<u>108,500</u>

<b>TOTAL</b>	<b>\$ 7,947,938</b>	<b>\$ 8,065,154</b>	<b>\$ 8,804,945</b>
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#### DEPARTMENT OF POLICE

Chief of Police	\$1,443,499	\$ 1,589,626	\$2,102,199
Uniform Services Command Office	496,892	365,612	350,646
Sector 1	5,813,825	5,666,253	6,338,782
Sector 2	3,917,241	3,616,997	3,901,477
Sector 3	4,077,030	3,698,921	3,878,502
Community Services	853,422	477,652	539,712
Special Operations Division	1,120,157	1,377,549	1,743,427
Animal Services	1,057,431	0	1,030,409
Park Security	59,642	103,555	378,115
Investigative Services	4,621,363	6,171,682	5,720,901
Resource Officers	0	511,835	370,544
Support Services	501,691	291,192	236,802
Training Division	3,269,069	3,089,473	3,936,949
Technical Services	1,705,577	1,836,655	1,326,819
Operation Support Services	3,927,824	4,055,198	3,878,292

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Budget & Finance	662,806	998,243	785,517
Facilities, Securities & Fleet Mgmt	<u>2,834,079</u>	<u>2,567,435</u>	<u>2,364,128</u>
TOTAL	\$ 36,361,548	\$ 36,417,878	\$ 38,883,221
 <u>DEPARTMENT OF FIRE</u>			
Fire Operations	\$ 23,157,592	\$ 23,665,479	\$ 25,465,475
Utilities	<u>886,870</u>	<u>787,781</u>	<u>257,300</u>
TOTAL	\$ 24,044,462	\$ 24,453,260	\$ 25,722,775
 <u>DEPARTMENT OF PUBLIC WORKS</u>			
Administration	\$ 892,794	\$ 997,772	\$ 1,024,997
City Engineer	1,736,237	1,826,786	1,701,773
Emergency	705,973	740,135	738,180
Sewer Construction & Maintenance	1,870,621	2,054,578	2,041,157
Street Cleaning	1,905,673	2,056,939	2,016,107
City Wide Services	928,670	935,700	1,001,264
Waste Pick-up Brush	2,704,319	2,653,218	2,475,591
Waste Pick-up Garbage	2,988,970	3,342,026	3,096,074
Municipal Forestry	461,515	490,752	521,115
Land Development Office	1,661,873	1,787,539	2,459,541
Board of Plumbing Examiners	2,824	1,356	2,250
Board of Electrical Examiners	24,185	22,630	18,920
Board of Mechanical Examiners	938	1,316	1,500
Board of Gas Fitters	3,332	4,480	3,200
Board of Appeals & Variances	7,365	8,605	10,000
Traffic Engineering Administration	663,291	603,450	709,116
Street Lighting	2,486,592	2,311,300	2,336,408
Traffic Control	1,697,456	1,601,413	1,732,349
Public Works Utilities	142,624	140,548	136,312
Brainerd Levee 1, 2, 3	52,360	94,787	54,800
Orchard Knob Storm Station	24,452	28,680	30,930
Minor Storm Station	16,068	18,907	20,800
Solid Waste Subsidy	4,832,016	4,881,755	4,846,415
Storm Water Subsidy	<u>683,952</u>	<u>683,952</u>	<u>683,952</u>
TOTAL	\$ 26,494,100	\$ 27,288,624	\$ 27,662,751
 <u>DEPARTMENT OF PARKS &amp; RECREATION</u>			
Administration	\$ 771,993	\$ 580,066	\$ 742,256
Public Information	75,361	87,774	95,713
Senior Neighbors . . . . . A.O.	58,916	58,916	58,916
Greater Chattanooga Sports Committee. . . . . A.O.	75,000	75,000	30,000
Inner City Ministry . . . . . A.O.	18,500	18,500	18,500
Downtown Partnership . . . . . A.O.	0	75,000	0
Outdoor Chattanooga	0	148,199	161,270
Skatepark	0	25,390	0
Recreation Facility Management	3,076,550	3,329,826	3,336,918
Fitness Center	304,585	295,137	253,735
Urban & Community Recreation	35,699	46,490	47,251
OutVenture	109,689	106,690	119,870
Sports	33,743	36,364	31,537
Champion's Club	230,737	204,389	214,906
Aquatics	135,458	150,661	159,731
Therapeutic Recreation	0	0	68,639
Parks & Athletic Fields	809,091	789,775	762,721
Tennessee Riverpark – Downtown	767,576	885,000	1,310,127

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Buildings & Structures	905,530	804,410	833,581
Carousel Operations	52,209	101,683	96,126
Parks & Facilities	514,916	499,444	430,008
Landscape	387,557	372,171	423,270
TN Riverpark Security	48,875	0	0
City Wide Security	84,110	85,352	82,184
Athletic Facilities	347,096	299,024	308,577
Memorial Auditorium	398,116	370,774	0
Civic Facilities Concessions	31,019	34,141	0
Tivoli Theatre	280,092	219,701	0
Civic Facilities Administration	464,434	536,916	0
Arts & Culture	92,204	29,176	0
Chattanooga Zoo	<u>389,200</u>	<u>421,968</u>	<u>470,050</u>
TOTAL	\$ 10,498,256	\$ 10,687,937	\$ 10,055,886
<u>DEPARTMENT OF PERSONNEL</u>			
Administration	\$ 883,250	\$ 951,186	\$ 989,974
Wellness Initiative	285,468	312,986	313,800
Physicals	98,614	98,444	116,200
Employee Benefit	333,289	308,907	332,205
Employee Insurance	3,477,183	3,729,515	4,853,500
Job Injuries	<u>74,880</u>	<u>75,740</u>	<u>78,600</u>
TOTAL	\$ 5,152,684	\$ 5,476,778	\$ 6,684,279
<u>DEPARTMENT OF NEIGHBORHOOD SERVICES</u>			
Neighborhood Service – Administration	\$ 241,647	\$ 318,682	\$ 372,369
Grants Administration	0	0	140,804
Codes & Community Services	766,342	791,706	812,437
Human Rights	0	0	34,818
Neighborhood Relations & Support Service	387,205	374,890	367,538
Neighborhood Grants	115,000	100,000	100,000
NS-Animal Services	<u>0</u>	<u>1,041,240</u>	<u>0</u>
TOTAL	\$ 1,510,194	\$ 2,626,518	\$ 1,827,966
<u>DEPARTMENT OF THE EXECUTIVE</u>			
Mayor's Office	\$ 770,988	\$ 754,248	\$ 897,290
Office of Performance Review	145,736	112,838	0
Office of Capital Planning	0	132,417	0
General Fund – Community Development	165,917	141,120	0
Grants Administration	113,573	132,697	0
Human Rights	38,281	15,521	0
Multicultural Affairs	0	0	400,000
Asset Management	<u>0</u>	<u>0</u>	<u>135,107</u>
TOTAL	\$ 1,234,495	\$ 1,288,841	\$ 1,432,397
<u>DEPARTMENT OF EDUCATION, ARTS, &amp; CULTURE</u>			
Administration	\$ 0	\$ 0	\$ 203,352
Memorial Auditorium	0	0	363,795
Civic Facilities Concessions	0	0	43,933
Tivoli Theatre	0	0	242,470
Civic Facilities Administration	0	0	541,280
Arts & Culture	<u>0</u>	<u>0</u>	<u>126,111</u>
TOTAL	\$ 0	\$ 0	\$ 1,520,941

SECTION 5(a). GENERAL GOVERNMENT & SUPPORTED AGENCIES. The initials “A.O.” as they appear in this Section, or elsewhere in the Ordinance, shall mean “Appropriation Only” which is hereby defined to mean that the amount as is shown being appropriated is only the appropriation of the City toward the total budget of such department, agency, board, commission, office or division or branch of government and is not to be construed to mean that such amount is its total budget or appropriation. The initials “A.S.F.” as they appear in this Section, or elsewhere in this Ordinance, shall mean “Appropriation to Special Fund” which is hereby defined to mean that the amount as is shown being appropriated is to a Special Fund that will not revert to the General Fund at the end of the fiscal year.

GENERAL GOVERNMENT & SUPPORTED AGENCIES:

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
City Council	\$ 618,079	\$ 635,350	\$ 693,723
Air Pollution Control Bureau . . . . . A.S.F.	270,820	270,820	270,820
Allied Arts Council. . . . . A.O.	250,000	250,000	250,000
Association of Visual Artists . . . . . A.O.	15,000	15,000	15,000
Chattanooga Regional History Museum . . . . . A.O.	24,000	24,000	24,000
Audits, Dues, & Surveys	159,985	206,757	206,757
Capital Improvements	0	3,500,000	0
CARCOG & Economic Development District . . . A.O.	30,493	31,111	31,111
CARTA Subsidy . . . . . A.O.	3,158,650	3,285,000	3,415,300
Carter Street Corporation . . . . . A.O.	176,324	0	0
Carter Street Lease Agreement . . . . . A.O.	1,420,159	1,419,100	1,415,389
C-HC Bicentennial Public Library . . . . . A.S.F.	2,405,725	2,487,660	2,487,660
Chatt. African-American Museum/Bessie Smith.A.O.	70,000	70,000	70,000
Chatt. African-American Museum Bldg. Maint A.S.F.	35,000	42,123	55,825
Chattanooga Neighborhood Enterprises . . . . . A.O.	2,000,000	2,000,000	1,500,000
Chattanooga Area Urban League . . . . . A.O.	50,000	50,000	50,000
Chattanooga Storm Water Fees . . . . . A.S.F.	67,540	72,720	70,000
Children's Advocacy Center . . . . . A.O.	30,000	30,000	30,000
Citizen Relationship Management – 311 Call Center	334,837	355,526	441,868
City Code Revision	0	85,000	0
City Court (Judicial) #1	293,452	276,538	307,864
City Court (Judicial) #2	278,517	280,057	302,818
Community Foundation Scholarships . . . . . A.O.	160,000	160,000	160,000
Community Impact Fund . . . . . A.O.	0	450,000	0
Community Research Council, Inc . . . . . A.O.	10,000	10,000	0
Contingency Fund	7,000	19,893	615,742
Debt Service Fund . . . . . A.S.F.	7,636,840	8,772,293	9,801,307
Downtown Design Center	226,732	227,204	0
Downtown Partnership . . . . . A.O.	140,000	140,000	140,000
Election Expense	0	207,121	0
Homeless Health Care Center . . . . . A.O.	17,500	17,500	17,500
Human Services . . . . . A.S.F.	1,333,477	1,333,477	1,333,477
Intergovernmental Relations	325,991	284,548	228,850
Chattanooga Invests	0	169,363	0
City Attorney's Office			
Administration	744,352	1,006,236	1,027,496
Liability Insurance Fund . . . . . A.S.F.	1,916,000	750,000	650,000
Renewal & Replacement	2,712,109	1,500,000	1,500,000
Pensions, FICA, & UIC	48,072	57,950	50,000
Regional Planning Agency. . . . . A.S.F.	974,817	988,817	942,817
Scenic Cities Beautiful . . . . . A.S.F.	30,294	30,294	22,888
Tuition Assistance Program	15,301	20,000	20,000
Tennessee RiverPark . . . . . A.O.	852,637	798,471	994,756
Westside Development Corporation . . . . . A.O.	75,000	75,000	0
Finley Stadium . . . . . A.O.	0	25,000	25,000



	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Railroad Authority . . . . . A.O.	0	0	20,000
Internal Audit	0	0	271,109
Enterprise Center . . . . . A.O.	0	0	100,000
WTCL-TV-Channel 45 . . . . . A.O.	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
 TOTAL	 \$ 28,974,703	 \$ 32,489,929	 \$ 29,619,077

**SECTION 6.** That there be and is hereby established a budget for each of the following special funds for

Fiscal Year 2005-2006:

1108      MUNICIPAL GOLF COURSE FUND

Estimated Revenue:

Pro Shop	\$ 137,793	\$ 135,689	\$ 151,766
Green Fees	759,588	701,934	787,849
Memberships	64,732	80,439	69,327
Cart Rentals	479,236	427,456	484,643
Food	60,931	59,937	67,149
Beverage	100,082	85,329	96,749
Property Rental	<u>3,000</u>	<u>4,000</u>	<u>0</u>
	<u>\$ 1,605,362</u>	<u>\$1,494,784</u>	<u>\$1,657,483</u>

Appropriations:

Brainerd	\$ 847,505	\$ 855,489	\$ 831,791
Brown Acres	<u>853,679</u>	<u>846,766</u>	<u>825,692</u>
	<u>\$ 1,701,184</u>	<u>\$1,702,255</u>	<u>\$1,657,483</u>

1119      ECONOMIC DEVELOPMENT/EDUCATION FUND

Estimated Revenue:

City – Only Sales Tax	\$18,444,846	\$ 9,606,910	\$ 9,799,000
TDZ – State Sales Tax	1,009,059	602,883	500,000
TDZ – County Sales Tax	189,123	191,027	189,000
Revenue from Fund Balance	<u>0</u>	<u>3,550,000</u>	<u>0</u>
	<u>\$19,643,028</u>	<u>\$13,950,820</u>	<u>\$10,488,000</u>

Appropriations:

Hamilton County for Education	\$ 8,459,059	\$ 0	\$ 0
Community Education Alliance	190,941	0	0
Economic Development Capital Projects	2,480,903	5,550,000	2,664,000
Chattanooga African-American Chamber of Commerce	150,000	150,000	150,000
Chattanooga Chamber of Commerce	400,000	400,000	400,000
Business Development Initiative	75,000	75,000	75,000
Lease Payments	4,447,999	6,179,590	6,510,000
TouristDevelopment –Debt Service	<u>1,198,182</u>	<u>793,910</u>	<u>689,000</u>
	<u>\$17,402,084</u>	<u>\$13,148,500</u>	<u>\$10,488,000</u>

2102      HUMAN SERVICES FUND

Estimated Revenue:

Federal – State Grants	\$11,738,793	\$12,085,999	\$11,620,367
City of Chattanooga	1,333,477	1,333,477	1,333,477
Contributions & Parent Fees	32,258	28,000	28,000
Interest Income	<u>11,676</u>	<u>5,000</u>	<u>10,000</u>

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Day Care Fees	123,317	99,013	53,000
Fund Balance	<u>343,799</u>	<u>151,045</u>	<u>145,309</u>
	<u>\$13,583,320</u>	<u>\$13,702,534</u>	<u>\$13,190,153</u>
Appropriations:			
Administration	\$ 878,545	\$ 822,283	\$ 826,124
Headstart	7,787,841	7,912,174	7,716,499
Day Care	826,346	892,900	892,900
Weatherization	435,285	411,966	349,550
Foster Grandparents	477,163	494,379	494,379
LIEAP	1,097,071	1,269,869	1,057,716
CSBG	709,198	802,683	730,795
Occupancy	122,373	0	0
Title II Commodities	103,985	70,435	35,435
Emergency Food and Shelter	32,949	32,120	32,120
Summer Food Program	690,553	713,857	834,767
Human Services Program	237,745	28,000	28,000
Neighborhood Family Services	91,309	99,000	99,000
Chambliss Home (per year for five years)	20,000	20,000	20,000
CDBG-Homeless Utility Deposit Asst.	0	15,000	0
AGL Resource Award	0	45,000	0
City General Relief	<u>72,957</u>	<u>72,868</u>	<u>72,868</u>
	<u>\$13,583,320</u>	<u>\$13,702,534</u>	<u>\$13,190,153</u>

2103 NARCOTICS FUND

Estimated Revenue:			
Federal	\$ 32,121	\$ 16,319	\$ 0
State	44,714	0	0
Confiscated Narcotics Funds	119,406	231,259	77,134
Other	<u>86,887</u>	<u>80,787</u>	<u>80,000</u>
	<u>\$ 283,128</u>	<u>\$ 328,365</u>	<u>\$ 157,134</u>

Appropriations:			
Narcotics - Operations	\$ 172,212	\$ 164,420	\$ 157,134
	<u>\$ 172,212</u>	<u>\$ 164,420</u>	<u>\$ 157,134</u>

2104 STATE STREET AID FUND

Estimated Revenue:			
State of Tennessee	\$ 4,381,334	\$ 4,382,380	\$4,419,289
Fund Balance	320,000	300,000	300,000
Investment Income	<u>18,397</u>	<u>35,231</u>	<u>35,000</u>
	<u>\$4,719,731</u>	<u>\$4,717,611</u>	<u>\$4,754,289</u>

Appropriations:			
Street Maintenance	\$ 4,095,691	\$ 4,444,011	\$4,754,289
	<u>\$ 4,095,691</u>	<u>\$ 4,444,011</u>	<u>\$4,754,289</u>

2105 COMMUNITY DEVELOPMENT FUND

Estimated Revenue:			
Federal	\$4,937,515	\$3,037,000	\$3,472,847
Interest	127,522	0	0
Miscellaneous	<u>964,570</u>	<u>2,103,000</u>	<u>1,700,000</u>
	<u>\$6,029,607</u>	<u>\$5,140,000</u>	<u>\$5,172,847</u>

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Appropriations:			
Administration	\$ 424,635	\$ 396,412	\$ 639,000
Chattanooga Neighborhood Enterprise	2,651,733	2,095,736	2,690,952
Warehouse Row Receivable	2,985,125	0	0
Prior Yr Economic Dev Projects	2,200,328	998,301	1,242,895
Transfers	<u>615,841</u>	<u>1,247,200</u>	<u>600,000</u>
	<u>\$8,877,662</u>	<u>\$4,737,649</u>	<u>\$5,172,847</u>

2106 HOTEL/MOTEL TAX FUND

Estimated Revenue:			
Occupancy Tax	<u>\$2,040,244</u>	<u>\$2,440,000</u>	<u>\$3,000,000</u>
	<u>\$2,040,244</u>	<u>\$2,440,000</u>	<u>\$3,000,000</u>

Appropriations:

21 <sup>st</sup> Century Waterfront Capital Fund	\$1,988,139	\$2,361,200	\$2,910,000
Hotel/Motel Collection Fee	40,021	48,800	60,000
Hamilton County	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>\$2,058,160</u>	<u>\$2,440,000</u>	<u>\$3,000,000</u>

3100 DEBT SERVICE FUND

Estimated Revenue:

General Fund	\$ 7,636,840	\$ 8,772,293	\$ 9,801,307
911 Emergency Communications	200,000	200,000	808,759
Homeland Security Grant (Hamilton Cty)	-	923,688	0
Hamilton County	794,983	782,163	762,683
CDBG (Fannie Mae Loan)	1,821	17,109	112,589
Safety Capital (Fire Loan)	3,525	3,316	5,638
Hotel/Motel Capitalized Interest	<u>2,477,536</u>	<u>2,477,538</u>	<u>2,416,930</u>
	<u>\$11,114,705</u>	<u>\$13,176,107</u>	<u>\$13,907,906</u>

Appropriations:

Principal	\$ 4,725,541	\$ 6,230,999	\$ 7,163,965
Interest	6,141,098	7,066,472	6,693,941
Bank Service Charges	<u>27,184</u>	<u>49,240</u>	<u>50,000</u>
	<u>\$10,893,823</u>	<u>\$13,346,711</u>	<u>\$13,907,906</u>

PROPRIETARY FUNDS

5100 INTERCEPTOR SEWER SYSTEM

Estimated Revenues:

Sewer Service Charges	\$28,249,983	\$27,619,088	\$27,331,023
Industrial Surcharges	2,723,501	2,600,000	2,600,000
Septic Tank Charges	151,558	64,923	65,723
Wheelage and Treatment:			
Lookout Mountain, TN	210,334	217,062	\$226,090
Dade County	0	0	2,125
Walker County, GA	233,546	280,636	309,276
Collegedale, TN	237,187	242,211	232,825
Soddy-Daisy, TN	104,948	112,559	123,589
East Ridge, TN	1,167,428	1,212,172	1,294,065
Windstone	<u>21,398</u>	<u>18,757</u>	<u>23,947</u>

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Hamilton County, TN	289,012	323,441	392,339
Northwest Georgia	435,413	433,392	565,954
Lookout Mountain, GA	43,513	49,064	55,936
Rossville, GA	326,092	333,491	362,038
Ringgold, GA	20,060	32,614	53,187
Red Bank, TN	308,840	329,051	411,467
Debt Service Northwest Georgia	441,838	441,838	447,353
Industrial User Permits	41,500	43,000	43,000
Garbage Grinder Fees	<u>28,433</u>	<u>24,415</u>	<u>24,715</u>
Operating Revenue	\$35,034,584	\$34,377,714	\$34,564,652
Fund Balance for Capital (P540)	0	0	6,153,000
Interest Earning	<u>356,615</u>	<u>450,000</u>	<u>450,000</u>
	<u>\$35,391,199</u>	<u>\$34,827,714</u>	<u>\$41,167,652</u>
Appropriations:			
Operations & Maintenance:			
Administration	\$ 2,196,595	\$ 2,150,000	\$ 1,960,359
Laboratory	427,710	460,000	526,377
Engineering	170,701	185,000	231,754
Plant Maintenance	1,235,531	1,275,000	1,487,805
Sewer Maintenance	1,126,591	1,285,000	1,267,095
Moccasin Bend - Liquid Handling	5,415,790	5,240,000	5,592,128
Inflow & Infiltration	639,924	775,000	771,601
Safety & Training	95,798	103,000	109,504
Pretreatment/Monitoring	268,418	295,000	316,094
Moccasin Bend - Solid Handling	1,875,057	2,426,000	3,377,614
Landfill Handling	2,134,045	1,882,000	1,490,000
Combined Sewer Overflow	<u>290,247</u>	<u>336,000</u>	<u>398,180</u>
Total Operations & Maintenance	\$15,876,407	\$16,412,000	\$17,528,511
Pumping Stations:			
Mountain Creek Pump Station	\$ 11,545	\$ 14,000	\$ 16,865
Citico Pump Station	230,128	298,000	273,981
Friar Branch Pump Station	111,296	159,000	146,631
Hixson 1, 2, 3, & 4 Pump Stations	68,420	72,000	80,212
19th Street Pump Station	40,163	32,000	48,543
Orchard Knob Pump Station	85,684	58,000	72,239
South Chickamauga Pump Station	302,135	285,000	303,047
Tiftonia 1 & 2 Pump Stations	39,473	97,000	44,218
23rd Street Pump Station	110,018	104,000	110,303
Latta Street Pumping Stations	19,484	8,000	18,136
Residential Pump Stations	12,187	23,000	14,300
Murray Hills Pump Station	8,284	9,000	15,355
Highland Park Pump Station	13,025	14,000	12,346
Big Ridge 1-5 Pump Stations	56,001	41,000	75,354
Dupont Parkway Pump Station	29,778	20,000	26,120
VAAP Pump Station	10,356	13,000	5,452
Northwest Georgia Pump Station	30,798	45,000	39,600
Brainerd Pump Station	10,863	13,000	12,456
East Brainerd Pump Station	33,440	41,000	34,830
North Chattanooga Pump Station	29,239	37,000	19,789
South Chattanooga Pump Station	32,901	18,000	6,088
Ooltewah-Collegedale Pump Station	48,771	118,000	61,725
Odor Control Pump Stations	462,030	165,000	250,000
Enterprise South Pump Station	202	1,000	5,820
River Park Pump Station	<u>0</u>	<u>1,000</u>	<u>4,250</u>
Total Pumping Stations	\$1,796,221	\$1,686,000	\$1,697,660

	FY04 <u>Actual</u>	FY05 <u>Projected</u>	FY06 <u>Proposed</u>
Total Operations & Maintenance & Pumping Stations	\$17,672,628	\$18,098,000	\$19,226,171
Capital Improvement	327,689	310,235	\$417,039
Construction Trust Fund (P540)	0	0	6,153,000
Debt Service			
Principal	9,046,514	10,664,661	\$10,445,134
Interest	4,994,518	5,761,704	4,926,308
	<u>\$14,041,032</u>	<u>\$16,426,365</u>	<u>\$15,371,442</u>
Total Appropriations:	<u>\$32,041,349</u>	<u>\$34,834,600</u>	<u>\$41,167,652</u>

#### 5200 SOLID WASTE & SANITATION FUND

Estimated Revenue:			
Landfill Tipping Fees	\$ 800,292	\$ 972,493	\$350,000
Permits	3,194	2,667	2,500
State of Tennessee Household Hazardous Waste Grant	168,398	85,000	85,000
State of Tennessee Recycle Rebate	30,649	60,000	60,000
City Tipping Fees	4,832,016	4,881,755	4,846,415
Sale of Mulch	0	0	26,500
Sale of Scrap Metal	4,803	400	33,840
Investment Income	97,018	158,564	353,750
	<u>\$ 5,936,370</u>	<u>\$ 6,160,879</u>	<u>\$5,758,005</u>
Appropriations:			
Recycle	\$ 615,649	\$ 447,500	\$ 481,570
Sanitary Landfill	200,479	169,664	353,750
Waste Disposal – Chattanooga Landfill	887,530	780,703	945,614
Wood Recycle	427,574	372,980	413,942
Solid Waste Reserve	0	0	244,644
Debt Service			
Principal	1,719,811	1,810,147	1,910,211
Interest	1,429,801	1,371,981	1,283,214
Household Hazardous Waste	114,748	135,000	125,060
	<u>\$5,395,592</u>	<u>\$5,087,975</u>	<u>\$5,758,005</u>

#### 5300 STORM WATER FUND

Estimated Revenue:			
Storm Water Fee	\$5,243,422	\$5,325,000	\$4,850,828
Land Disturbing Fee	51,315	53,885	55,000
Other	93,840	85,000	85,000
General Fund Subsidy	683,952	683,952	683,952
Fund Balance for Capital	0	1,500,000	2,000,000
	<u>\$6,072,529</u>	<u>\$7,647,837</u>	<u>\$7,674,780</u>
Appropriations:			
Storm Water Administration	\$1,518,803	\$1,808,746	\$1,972,993
Storm Water City Wide Services	1,021,660	628,188	1,285,265
Renewal & Replacement	39,994	127,400	127,400
Debt Service			
Principal	1,295,335	1,362,084	1,436,085
Interest	860,751	918,971	853,037
Appropriation to Capital Project Fund	350,000	1,500,000	2,000,000
	<u>\$5,086,543</u>	<u>\$6,345,389</u>	<u>\$7,674,780</u>



SECTION 6(b). That there be and is hereby authorized the appropriation of all collections and fund balances to the respective funds, other than the General Fund, to be expended for the general public purposes as indicated .

SECTION 6(c). The City, or its designee, shall have the authority to impose and collect reasonable fees related to the administration of the Chattanooga Renewal Community Initiative including, but not limited to, a fee for applications for the Commercial Revitalization Deduction program as established under the Community Renewal Tax Relief Act of 2000 and the Tennessee Department of Economic and Community Development Qualified Allocation Plan.

SECTION 7(a). Be it further ordained that the City Finance Officer hereby be and is authorized to pay the increase in compensation to City employees in accordance with and subject to the constraints in Section 4 of ordinance #11692 encaptioned:

AN ORDINANCE PROVIDING FOR AN INTERIM BUDGET AND APPROPRIATING FUNDS FOR THE USUAL AND ORDINARY EXPENSES OF THE CITY GOVERNMENT FOR THE MONTHS OF JULY, AUGUST, AND SEPTEMBER 2005, PENDING THE ADOPTION OF THE 2005-2006 ANNUAL BUDGET

SECTION 7(a)(1). In addition to the minimum rate of pay established in the Classification Plan, a rate of pay less than Step One (1) of the designated pay grade may be assigned to the newly employed or promoted incumbent for a specified period of time. This step shall be identified as “probation step”. Provided, however, that no full time City employee shall be paid less than the prevailing poverty rate, except for those employees whose pay is governed by federal formula.

SECTION 7(a)(2). Any person employed on a temporary basis in positions authorized within the Classification Plan shall be paid at a rate not more than Step One (1) of the position’s pay grade. As provided in the Chattanooga City Code, Part II, temporary employment shall not exceed a period of six (6) months on any occasion.

SECTION 7(a)(3). In addition to positions provided for hereinafter, known as positions within the “City of Chattanooga Classification Plan”, which includes only permanent full time positions, the City recognizes and authorizes the following types of designation of positions as exempt from the Classification Plan: Permanent Part-Time, Temporary Part-Time, Permanent Daily, Permanent Full-Time Elected Officials, and Temporary Full-Time.

SECTION 7(b). That except as otherwise provided, the positions specified hereinafter are hereby authorized at the pay grades or maximum amounts and upon the terms hereinafter specified.

SECTION 7(b)(1). In order to achieve the efficiencies in personnel assignments, the Mayor is hereby authorized to realign, reclassify or otherwise change positions within the total number of funded positions provided for.

SECTION 8. That all salaries and wages and other expenditures shall be paid only upon the authorization of the official who has the responsibility of expending the appropriation against which the salaries or wages or other expenditures are charged, pursuant to Private Acts of 1953, Chapter 105, Section 2 (4). That all funds appropriated in this Ordinance for payment of salaries and/or wages shall be spent for salaries and wages only unless proper authorization is given to do otherwise.

SECTION 9. That the City Finance Officer is authorized to pay the payroll and/or costs of personal services, whether on the payroll, voucher or otherwise, of the Air Pollution Control Bureau, Chattanooga-Hamilton County Bicentennial Library, Chattanooga-Hamilton County Regional Planning Agency, Special Counsels and personnel of the Office of the City Attorney, Human Services Department, Scenic Cities Beautiful, Golf Courses, and any other department, agency, board, commission, office, division, or branch of Municipal Government heretofore or hereafter established, notwithstanding that same is not specified hereinbefore, as certified to him by the respective administrative official.

SECTION 9(a). That the City Finance Officer is authorized to pay a uniform and equipment maintenance allowance of five hundred dollars (\$500.00) for all sworn police officers and firefighters as of July 1, 2005, except for those new employees who have received from the city a new uniform since July 1, 2004. Further, the City Finance Officer is authorized to pay a supplemental tool allowance of one hundred fifty dollars (\$150.00) for certain employees as set forth in Resolution No. 18381, dated December 5, 1989, as amended; and is authorized to pay a supplemental uniform allowance of two hundred fifty dollars (\$250.00) for City Court Officers. It shall be the duty of employees receiving these supplements to use the funds for the specified purpose and retain receipts to that effect.

SECTION 9(b). That the City Finance Officer is authorized to match the total salaries of all participants in the Fire and Police Pension Fund with a contribution from the General Fund not to exceed nineteen and six tenth percent (19.6%).

SECTION 9(c). That the City Finance Officer is authorized to contribute to the General Pension Plan an amount equal to six and sixty-seven one hundredth percent (6.67%) of all participants' salaries as specified in the most recent actuarial study.

SECTION 9(d). That the City Finance Officer is authorized to pay the following Union Pension Plans the specified amounts per participation agreements:

Central Pension Fund	\$1.22 Per Hour
LIUNA (Laborers) Pension Fund	\$0.95 Per Hour

SECTION 10. That the City Finance Officer is authorized to reimburse officials and employees for use of personal vehicles on official business at the current rate per mile recognized and established by the Internal Revenue Service.

SECTION 11. That for employees currently receiving a monthly allowance of four hundred dollars (\$400.00) per person in-lieu of a take-home government vehicle shall continue to receive same for as long as such employee holds his or her current position. Additional employees may receive this allowance only with approval of the Mayor and passage of an ordinance by the City Council.

SECTION 12. That for employees called to active duty during a National Emergency such as, but not limited to, the War on Terrorism or an Iraq Conflict, shall be paid the difference that their City pay exceeds their total military base pay, up to \$850.00 per month, from the time called to active duty until relieved from active duty status or until June 30, 2006, whichever occurs first. Payments beyond the current fiscal year shall be subject to future appropriations by City Council. The City Finance Officer be and is authorized to appropriate the necessary money from other available funds. The difference in pay shall be calculated without regard to any payment of combat pay.

Further, with the concurrence of the General Pension Fund and the Fire and Police Pension Fund, or any union fund participation agreement, the City shall pay such contributions necessary, both the employee's and the employer's share, based on their pension-eligible salary at the time of call-up (not counting over-time pay) to ensure the continued enrollment and pension-eligibility of employees while called-up for this National Emergency for the same period as referenced above. In this manner, the affected employees shall not be penalized nor incur financial hardship as relates to their pension eligibility.

If the City's medical insurance provider will extend medical coverage to families affected by the call-up of reservists in response to the current National Emergency beyond the customary six (6) month period, the City shall pay the employers share of the premium for any employee called-up to active duty. The employee's share of the coverage shall remain the responsibility of the employee and may be paid in the most convenient

method by the employee. During the time of active duty, the employee may request the City to make such payments on his/her behalf and reconcile the amounts paid upon his/her return to City employment.

SECTION 13. That pursuant to the Charter, it shall be unlawful for any department, agency, or branch of the Government to expend any money other than the purpose for which it was appropriated, nor shall the expenditures for a purpose exceed the appropriation for said purpose.

SECTION 14. If at any time the actual receipt of revenues is projected to be less than the estimated revenues, it shall be the duty of the Mayor to forthwith initiate an ordinance amending this budget ordinance so as to appropriately reduce or otherwise change the various appropriations made herein which, in the judgment of the City Council, should be made.

SECTION 15. That Chattanooga City Code, Part II, Chapter 7, Section 7-1 and 7-8, be and the same is hereby amended so as to delete any and all references therein to Department of Neighborhood Services and the Administrator of the Department of Neighborhood Services and substitute in lieu thereof Police Department or Chief of Police.

SECTION 16. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36(c) as relates to sewer service charges and fees be and the same is hereby deleted and the following substituted in lieu thereof:

- (c) Billable flow. The amount due from the regional user shall be the dollar amount derived by applying the total charge shown in the table below per one thousand (1,000) gallons of water sold.

	Regional Regional Operation & Maintenance Charge (\$/1,000 gallons)	Total Charge Regional Debt Charge (\$/1,000 gallons)	(Wheelage and Treatment) (\$/1,000 gallons)
Wheelage and Treatment	\$ 1.0578	\$ 0.5782	\$ 1.6360

If regional customers are billed directly through the water company, the rate to be charged shall be one dollar and sixty-four cents (\$1.64) per one thousand (1,000) gallons.

SECTION 17. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36 (d), be and the same hereby deleted and the following substituted in lieu thereof:

- (d) Total flow. The amount due from the regional user shall be the dollar amount derived by applying the total charge shown in the table below applied to the quantity of water measured by a flow

meter installed and maintained at or near the point of connection between the system of the regional user and the Chattanooga system. In the event of any malfunction of said meters, flow shall be estimated, interpolated and/or projected in the most equitable manner possible. Such estimates, along with available readings for periods where there was no malfunction, shall be the basis for billing.

	Regional Operation & Maintenance Charge (\$/1,000 gallons)	Total Charge Regional Debt Treatment) Charge (\$/1,000 gallons)	Regional (Wheelage and (\$/1,000 gallons)
Wheelage and Treatment	\$ 0.6129	\$ 0.3350	\$ 0.9479

**SECTION 18.** That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-41(c), be and the same is hereby deleted and the following substituted in lieu thereof:

(c) Rates. Based upon the current cost of treating wastewater containing constituents with concentrations in excess of “normal wastewater,” numerical rates are hereby established for Bc and Sc as follows:

Bc = \$0.092 per pound of BOD for concentrations in excess of three hundred (300) milligrams per liter.

Sc = \$0.070 per pound of total suspended solids for concentrations in excess of four hundred (400) milligrams per liter.

**SECTION 19.** That Chattanooga City Code, Part II, Chapter 18, Article VI, Section 18-103, be and the same is hereby deleted and the following substituted in lieu thereof:

**Sec. 18-103. Control of access.**

Access to the landfill sites will be denied by locking the entrance gate. The landfills will be open Monday through Friday, from 7:00 a.m. to 5:00 p.m., and Saturday from 7:30 a.m. to 12:00 p.m. for those persons who have been given private collector permits and for municipal vehicles. The landfills will be closed on holidays as specified by the superintendent. The public shall use the stations provided at the landfill entrances.

**SECTION 20.** That Chattanooga City Code, Part II, Chapter 18, Article VI, Section 18-105, be and the same is hereby deleted and the following substituted in lieu thereof:



**Secs. 18-105 — 18-120. Reserved**

**SECTION 21.** That Chattanooga City Code, Part II, Chapter 18, Article VII, Section 18-123, be

and same is hereby deleted and the following substituted in lieu thereof:

- (a) Residents of the city delivering refuse originating from their primary residence in automobiles, station wagons, standard size or smaller pick-up trucks and comparably-sized trailers shall be charged no fee for dumping at the sanitary landfill.
- (b) Non-residents of the city delivering refuse in automobiles, station wagons, standard size pick-up trucks and small trailers shall be charged ten dollars (\$10.00) per load of refuse, and five dollars (\$5.00) for construction and demolition wastes.
- (c) All private collectors, municipalities, government agencies, contractors or others depositing waste shall be charged at the rate of twenty-nine dollars (\$29.00) per ton for dumping, with a minimum of twenty-three and 20/100 dollars (\$23.20) per load.
- (d) In addition to the fees specified hereinabove, there shall be a surcharge of one hundred dollars (\$100.00) per load of waste for the disposal of materials requiring special handling by landfill personnel and equipment, including those specified in section 18-104 and those materials for which special handling is required by the Tennessee Department of Environment and Conservation, or other regulating agencies. There shall be a surcharge of two hundred dollars (\$200.00) per load of waste for the disposal of asbestos.
- (e) Any person depositing industrial waste which may be hazardous or which is of questionable origin or composition, requiring monitoring through laboratory analysis in the discretion of the landfill operator, shall pay an additional forty dollars (\$40.00) per load administrative fee plus the cost of laboratory analysis together with any other expenses directly related to handling the particular load of waste.
- (f) All brush and wood waste that is disposed of at the wood recycling facility shall be charged at the rate of thirteen dollars (\$13.00) per ton, with a minimum of six and 50/100 dollars (\$6.50) per load. Provided, that city residents disposing of such waste from their primary residence shall not be charged for a standard size or smaller pick-up or comparably-sized trailer load of such wastes. Wastes delivered by city residents from their primary residence in vehicles larger than a standard size or smaller pick-up truck or comparably-sized trailer shall be charged at the rate of thirteen dollars (\$13.00) per ton, with a minimum of six and 50/100 dollars (\$6.50) per load.
- (g) In addition to the other landfill fees provided hereinabove, there shall be imposed a surcharge of one dollar (\$1.00) per ton for each ton of municipal solid waste received at the landfill.

(h) Notwithstanding the provisions of paragraphs (c) and (f) above, governmental agencies or private non-profit corporations funded by governmental agencies for the purpose of providing safe and sanitary housing for residents of Chattanooga or for the removal of dangerous or blighted structures including, but not limited to, the Chattanooga Housing Authority, the Chattanooga Neighborhood Enterprises, Inc. and Public Officer of the Department of Neighborhood Services, shall not be charged for the disposal of demolition waste.

(i) All private collectors, municipalities, government agencies, contractors or others depositing waste who have accounts shall be charged on their “*daily average tonnage*” deposited; for the waste categories identified as Garbage (G), Trash (T), Out of County (L), Out of State (N) and Fluff (AA) only; during any monthly billing period according to the following rate schedule:

First	75 tons @ \$29.00 per ton,
next	75 tons @ \$28.00 per ton,
next	75 tons @ \$27.00 per ton,
next	75 tons @ \$26.00 per ton,
next	75 tons @ \$25.00 per ton, and
over	375 tons @ \$24.00 per ton.

**SECTION 22.** That Chattanooga City Code, Part II, Chapter 18, Article VII, Section 18-124, be and the same is hereby deleted and the following substituted in lieu thereof:

**18-124. Wood Chips.**

Wood chips will be available for purchase by the public at the wood recycling facility at the rate of three dollars (\$3.00) per yard for vehicles with less than 20 yard capacity. Vehicles with a capacity of larger than 20 yards but less than 40 yards shall be charged at a rate of one and 50/100 dollars (\$1.50) per yard. Vehicles with a capacity of 40 yards or larger shall be charged at a rate of 75/100 dollars (\$0.75) per yard. Leaf compost will be available for purchase by the public at the wood recycling facility at the rate of five dollars (\$5.00) per yard. Provided, that city residents shall be entitled to five (5) no-charge loads of either wood chips or leaf compost per fiscal year if hauled in a standard size or smaller pick-up truck or comparably-sized trailer. Wood chips or leaf compost shall be available during regular operating hours and subject to availability and reasonable operating restrictions that may be established by the Administrator of the Department of Public Works.

**SECTION 23.** That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-43(b) and (f), be and the same are hereby deleted and the following substituted in lieu thereof:

(b) *Fees for garbage grinders.* Any user of a garbage grinder, except users in a premise used exclusively for an individual residence, shall be charged at a rate of one hundred twenty-one and 16/100 (\$121.16) per month. The superintendent shall bill users on a bi-monthly basis and the bills shall be due and payable within thirty (30) days following the last day of the billing period.

(f) *Fees for septic tank discharge.* All persons discharging concentrated, domestic septic tank sewage waste from a truck under the provisions of Article III of this Chapter shall be charged at the rate of thirty-five dollars (\$35.00) per one thousand (1,000) gallons of such waste.

SECTION 24. That this Ordinance shall be operative, as distinguished from its effective date, on and after July 1, 2005.

SECTION 25. That if any section, sentence, word or figures contained in this Ordinance should be declared invalid by a final decree of a Court of competent jurisdiction, such holding shall not affect the remaining sentences, sections, words or figures contained in this Ordinance, but the same shall remain in full force and effect.

SECTION 26. That this Ordinance shall take effect two (2) weeks from and after its passage.

PASSED on Second and Final Reading

\_\_\_\_\_, 2005.

\_\_\_\_\_  
CHAIRPERSON

APPROVED:\_\_\_ DISAPPROVED: \_\_\_

DATE:\_\_\_\_\_, 2005

\_\_\_\_\_  
MAYOR

Reviewed By:\_\_\_\_\_  
*Daisy W. Madison*

RLN/DWM/add